



# American Recovery and Reinvestment Act of 2009

## Department of Housing and Urban Development

### Program-Level Plan

### Agency-Wide Recovery Plan

**Agency Name:** U.S. Department of Housing and Urban Development

#### Broad Recovery Goals

The Recovery Act includes \$13.61 billion for projects and programs administered by the Department of Housing and Urban Development (HUD). HUD's funds are distributed across nine programs within three themes that align with the broader goals of the Recovery Act. HUD's overriding goal is the creation and preservation of thousands of jobs.

1. **Promoting energy efficiency and creating green jobs:** One-third of HUD's funds are aimed at "greening" the public and assisted housing stock, while contributing to the creation of a new industry for increasing residential energy efficiency.

#### ***The four programs supporting this goal are:***

**(1) Public Housing Capital Fund (\$4.00BN):** \$3BN to be awarded through a formula to develop, finance and modernize public housing. \$1BN to be awarded through competition to retrofit public housing and support other priority investments, including the transformation of distressed public housing.

**(2) Native American Housing Block Grants (\$0.51BN):** \$255M to be allocated using an existing formula, \$243M to be awarded through a competition with priority given to projects that employ low-income members of the community and that can start within 180 days, and \$10M will be awarded through the Native American Hawaiian Housing Block Grant.

**(3) Assisted Housing Energy & Green Retrofit Program (\$0.25BN):** Grants and loans to be awarded through a competition to assisted housing property owners for energy and green retrofits.

**(4) Lead Hazard Reduction/Healthy Homes (\$0.10BN):** Grants will be awarded to applicants that met the threshold requirements of a competition held in FY08. Funds will support reduction and remediation activities in low and moderate income households and stimulate private sector investment in lead hazard control.

***Benefits/Outcomes:*** (1) reduce greenhouse gas emissions, (2) decrease consumer energy costs, (3) increase quality & longevity of public and Native American housing stock.







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2. **Unlocking the credit markets and supporting shovel-ready projects:** Another third of HUD's funds are aimed at addressing the sharp decline in the market for tax credits by providing "gap financing" to existing tax credit projects that have stalled or been delayed. Project-based rental assistance is expected to support the maintenance of properties that may have otherwise been neglected.

***The two programs supporting this goal are:***

**(1) Tax Credit Assistance Program (\$2.25B):** Tax credits to be allocated to State Housing Finance Agencies, who will distribute the funds competitively, giving priority to projects that can begin immediately.

**(2) Project Based Rental Assistance (\$2.00BN):** Funds to be applied against existing contracts. Funds will enable owners to undertake improvements to their properties.

***Benefits/Outcomes:*** (1) produce tens of thousands of affordable housing units and (2) unlock private lending.

3. **Mitigating the effects of the economic crisis and preventing community decline:** The last third of HUD's funds are targeted at stabilizing households at risk of homelessness and communities that have been impacted by the current economic and foreclosure crisis.

***The three programs supporting this goal are:***

**(1) Neighborhood Stabilization Program (\$2.00BN):** Funds to be awarded through two separate competitions amongst state and local governments, not-for-profit (and consortiums with for-profit entities). Funds for the smaller \$50 million competition will focus on capacity building for NSP grantees. Funds for the larger \$1.93 billion competition will focus on interventions in areas of greatest need, with priority to applicants with the greatest capacity and innovation in acquisition, rehabilitation and affordable re-sale of foreclosed or abandoned properties.

**(2) Homelessness Prevention Fund (\$1.50BN):** Funds to be allocated to state and local governments using an existing formula. Funds will support the rapid re-housing of homeless persons and families who enter shelters, as well as expand efforts to prevent homelessness.

**(3) Community Development Block Grants (\$1.00BN):** Funds to be allocated to approximately 1,200 grantees using existing CDBG formula. Funds will target state and local community development projects, with a particular emphasis on infrastructure activities, in order to stabilize communities, generate jobs and support future economic growth.

***Benefits/Outcomes:*** (1) stabilize property values, (2) prevent homelessness, and (3) prevent neighborhood blight.







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List of Recovery Programs within Agency and Funding Amounts	
Public Housing Capital Fund Formula Grant Program	\$3,000,000,000
Public Housing Capital Fund Competitive Grant Program	\$1,000,000,000
Native American Housing Block Grants (NAHASDA) Formula Grant Program	\$ 255,000,000
Native American Housing Block Grants (NAHASDA) Competitive Grant Program	\$ 255,000,000
Community Development Fund (CDBG) Formula Grant Program	\$1,000,000,000
Indian Community Development Block Grants (ICDBG) Formula Grant Program	\$ 10,000,000
Neighborhood Stabilization Competitive Grant Program	\$2,000,000,000
HOME Low-Income Housing Tax Credit Program	\$2,250,000,000
Homeless Prevention Fund Formula Grant Program	\$1,500,000,000
Project-Based Rental Assistance Grant Program	\$2,000,000,000
Project-Based Energy and Green Retrofit Grant Program	\$ 250,000,000
Lead Hazard Control and Health Homes Competitive Grant Programs	\$ 100,000,000

### Competition on Contracts (excludes contracts under grants)

In accordance with Recovery Act provisions, HUD has set-aside a total of \$63M or 0.46 percent of its total Recovery funding of \$13.625B for administrative expense related to the design, implementation and oversight of Recovery activity in nine HUD programs. \$37.5M of the administrative set-asides is budgeted for contracted services to support a variety of needs, including technical assistance and training for HUD staff and recipients of recovery funding, and IT systems development, enhancement and maintenance to support the data collection and reporting requirements of the Recovery Act. Given the stringent statutory deadlines for implementing the Recovery Act, and the fact that Recovery funding is largely supplemental to existing HUD programs, HUD's procurement strategy is to use existing contract vehicles to the maximum extent possible. Most of HUD's contracting is competitive, or through the use of preferential sourcing programs such as the SBA 8(a) Program promoting the use of small and disadvantaged businesses. HUD's Recovery procurement plan anticipates a total of 28 contract actions, of which 13 will modify or execute task orders to existing contracts that were previously competed, and 15 will involve a new competition. Over 90 percent of HUD's estimated \$37.5M in contract dollars will be on competitive awards or modifications to existing contracts that were previously competed for the same types of service or systems support.







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#### **Contract Type (excludes contracts under grants)**

HUD's AARA procurement plan anticipates a total of 28 contract actions with an estimated value of \$37.5M. Historically, 50.1 percent of HUD's annual contracting dollars involve the use of fixed-price contracts. It is estimated that over 80 percent of the anticipated Recovery contract funding will involve fixed-price contracting. Fixed-price contracting is best used when requirements are well defined and known, in advance of award. Some of HUD's Recovery contracts cannot be fixed-price contracts because requirements are still evolving, and the need for speed of execution requires that the contract service vehicles be put in place as soon as possible to meet the stringent time frames required by the Recovery Act. In some cases, HUD has phased contract work to facilitate the full definition of requirements during an initial cost-type effort, with a subsequent phase using a fixed-price agreement to complete defined requirements.

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#### **Description of Agency accountability mechanisms.**

Given the Recovery Act's unprecedented cross-cutting scope and aggressive timeframe, the Secretary is viewing the Recovery Act as an opportunity to lay the groundwork for future transformation at HUD. The area of accountability is critical to this transformation.

#### **Oversight Structure**

HUD has established a Recovery Act program management structure that both supports program staff and holds them accountable for the activities outlined in this plan. The Secretary has designated the Deputy Secretary as the senior official accountable for Recovery implementation. Reporting to the Deputy Secretary is a three-person steering committee that oversees program implementation and reporting. The steering committee oversees a seven-person program management team that works full time on coordinating all recovery efforts at HUD across programs and supporting cross-cutting efforts. At the program level, each of the nine recovery programs has a designated program lead and supporting team. These teams are responsible for reporting on progress against the established milestones and performance targets outlined in this document, as well as raising and helping to resolve issues affecting progress. In addition to the program-specific teams, there are ten cross-cutting action teams, each with a designated leader: energy policy, legal/policy, training and technical assistance, set-aside budget planning and management, risk management, systems and IT infrastructure, research and evaluation, program staffing, service procurement and field engagement. Given their cross-cutting nature, these action teams support the nine program areas and similarly report to the Recovery Act program management team.



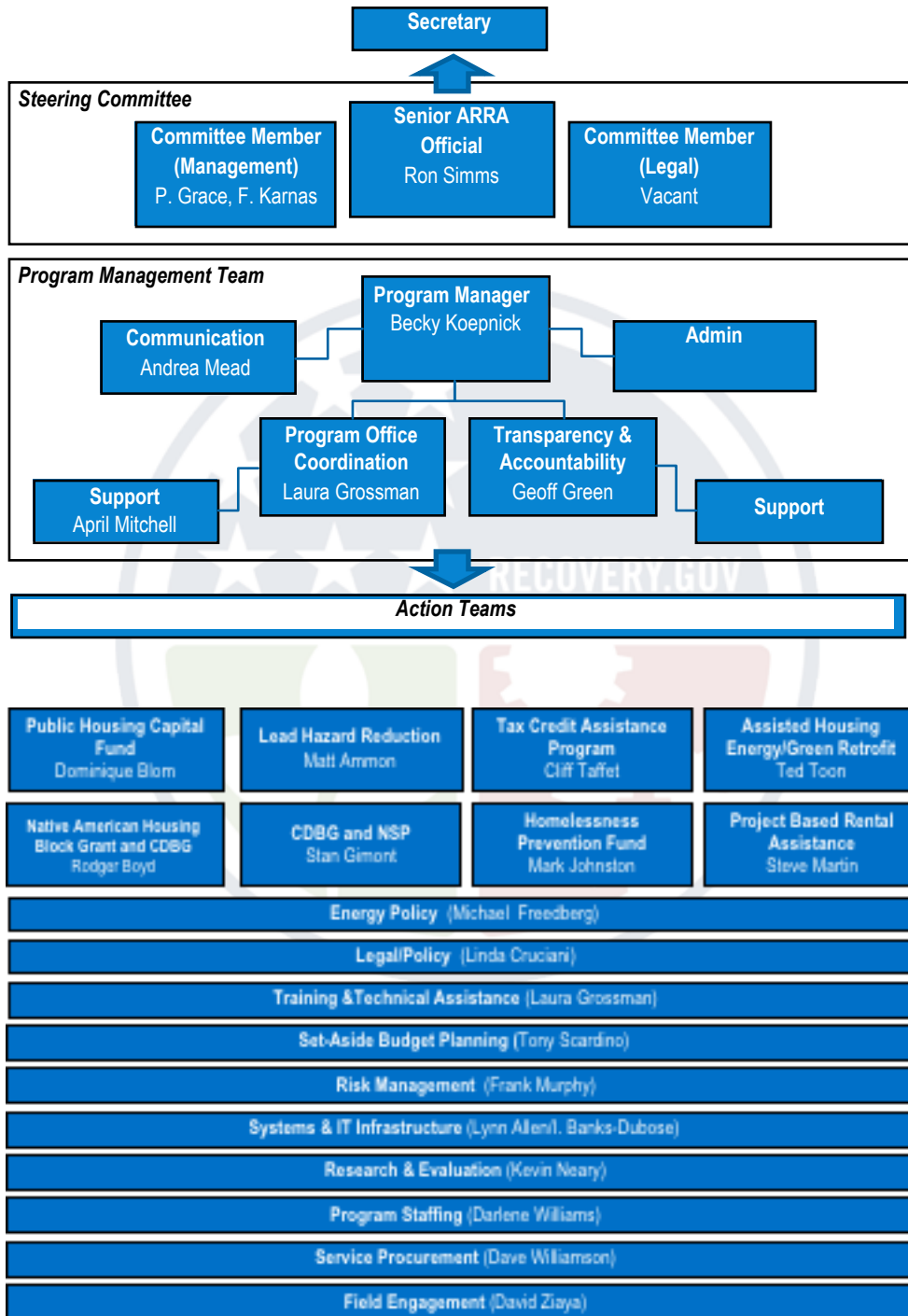


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From an internal reporting perspective, the HUD Recovery Act program management team will work with the leads of the program and cross-cutting teams to prepare a bi-weekly program snapshot report for the steering committee to review with the Deputy Secretary and Secretary. The dashboard reports will include quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Performance data will be summarized by grantee risk category. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, will be accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The report will also identify specific grantees with performance issues, and summarize the actions being taken to address them. In addition to the bi-weekly reporting, each program team will meet with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings will include the grant recipient data described below.

#### **Identification of Measures**

The Department has identified a rigorous set of output, outcome and efficiency measures that will quantify progress of each of the Recovery Act programs. These measures both capture the agency-level goals and the program-specific goals. The measurements are aligned to HUD's three themes: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, (3) mitigating the effects of the economic crisis and preventing community decline.

#### **Recipient Reporting**

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. The detailed requirements can be found on HUD's website at <http://www.hud.gov/recovery/transparency-accountability.cfm>. Each prime and first tier recipient is required to report specified information to HUD 10 days after the end of each calendar quarter. This includes, but is not limited to a detailed list of all projects and activities for which recovery funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained.

#### **Risk Assessment**

Each program has submitted a preliminary front end risk assessment (FERA). The Program Management Office will be putting into place a regular system of reporting on risk areas. These risk metrics will be included in all reports and communications with the Secretary.

#### **Transparency**

Consistent with OMB reporting requirements, HUD has posted weekly financial reports on [www.hud.gov/recovery](http://www.hud.gov/recovery) since March 1, 2009. Furthermore, HUD is currently revamping its recovery website to create a more interactive experience for grantees and citizens to ensure transparency objectives are met.

